

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.¹

Chapter 11

Case No. 19-23649 (SHL)

(Jointly Administered)

**COVER SHEET TO THE SEVENTH INTERIM APPLICATION OF CORNERSTONE
RESEARCH FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS CONSULTANT TO THE DEBTORS
FOR THE PERIOD FROM MARCH 1, 2022 THROUGH JUNE 30, 2022**

In accordance with Rule 2016-1 of the Local Rules of Bankruptcy Procedure, incorporating the *Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases* [General Order M-447], among other guidelines (the “**Local Guidelines**”) and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [ECF No. 529] (the “**Interim Compensation Order**”), Cornerstone Research, consultant for Purdue Pharma L.P. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), submits this summary (this “**Summary**”) of fees and expenses sought as actual and necessary in the fee application to which this Summary is attached (the “**Application**”) for the period from March 1, 2022 through June 30, 2022 (the “**Fee Period**”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

General Information

Name of Applicant:	Cornerstone Research Consultant to the Debtors
Authorized to Provide Services to:	Purdue Pharma L.P., <i>et al.</i>
Date of Order Approving Retention:	June 11, 2020

Summary of Fees and Expenses Requested for the Compensation Period

Time Period Covered by This Application:	March 1, 2022 through June 30, 2022
Total Compensation Requested:	\$183,866.00
Total Expenses Requested:	\$0.00
Total Compensation and Expenses Requested:	\$183,866.00

Summary of Past Requests for Compensation and Prior Payments

Compensation Sought in this Application	\$147,092.80
Already Paid Pursuant to a Compensation Order but Not yet Allowed:	
Expenses Sought in this Application Already Paid Pursuant to a Compensation Order but Not yet Allowed:	\$0.00
Total Compensation and Expenses Sought in this Application Already Paid Pursuant to a Compensation Order but Not yet Allowed:	\$147,092.80

Summary of Rates and Other Related Information for the Compensation Period

Blended Rate in This Application for All Professionals:	\$446.17
Blended Rate in This Application for All Professionals and Paraprofessionals:	\$446.17
Number of Professionals Included in This Application:	6
Difference Between Fees Budgeted and Compensation Sought for This Period:	NA

**Number of Professionals Billing Fewer 2
Than 15 Hours During This Period:**

Increase in Rates Since Date of Retention: The compensation period does not include any rate increases.

This is a(n): monthly interim final application

Summary of Prior Monthly Fee Statements of Cornerstone Research

Period Covered and ECF No.	Total Fees Requested	Total Expenses Requested	Total Fees and Expenses Requested	Fees Paid	Credit Owed	Expenses Paid	Total Balance Remaining to be Paid
03/1/2022-06/30/2022 ECF No. 5194	\$183,866.00	\$0.00	\$183,866.00	\$147,092.80	\$10,828.00	\$0.00	\$25,945.20
Total							\$25,945.20

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.¹

Chapter 11

Case No. 19-23649 (SHL)

(Jointly Administered)

**SEVENTH INTERIM APPLICATION OF CORNERSTONE RESEARCH FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS CONSULTANT TO THE DEBTORS FOR THE
PERIOD FROM MARCH 1, 2022 THROUGH JUNE 30, 2022**

Pursuant to sections 327, 330, and 331 of chapter 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Rules of Bankruptcy Procedure, incorporating the *Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases* [General Order M-447], among other guidelines (the “**Local Guidelines**”), The United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases effective as of November 1, 2013 (the “**U.S. Trustee Guidelines**,” and together with the Local Guidelines, the “**Fee Guidelines**”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [ECF No. 529] (the “**Interim Compensation Order**”), Cornerstone Research, consultant for Purdue Pharma

¹ The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrum Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

L.P. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), submits this *SEVENTH Interim Application for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period from March 1, 2022 Through June 30, 2022* (this “**Application**”). By this Application, Cornerstone Research seeks allowance of compensation for actual and necessary professional services rendered for the Debtors in the total amount of \$183,866.00, and for reimbursement of actual, necessary disbursements that Cornerstone Research incurred in connection with such services in the total amount of \$0.00, for an aggregate total of \$183,866.00 during the period of March 1, 2022 through June 30, 2022 (the “**Fee Period**”).

Jurisdiction

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

3. On September 15, 2019 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On September 18, 2019, the Court entered an order [ECF No. 59] authorizing the joint administration and procedural consolidation of the Debtors’ chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No entity has requested the appointment of a trustee in these chapter 11 cases. On September 27, 2019, the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**UCC**”) pursuant to section 1102 of the Bankruptcy Code [ECF No. 131].

4. A description of the Debtors' businesses, the reasons for commencing the chapter 11 cases, and the relief sought from the Court to facilitate effective administration of these chapter 11 cases are set forth in the *Debtors' Informational Brief* [ECF No. 17].

5. On November 21, 2019, the Court entered the Interim Compensation Order, which sets forth the procedures for interim compensation and reimbursement of expenses for all professionals in these cases.

The Debtors' Retention of Cornerstone Research

6. On June 11, 2020, the Court entered the *Order Authorizing the Retention and Employment of Cornerstone Research as Consultants for the Debtors Nunc Pro Tunc to January 14, 2020* [ECF No. 1255], and on October 26, 2021, the Court entered the *Order Authorizing the Supplemental Retention and Employment of Cornerstone Research for Consulting Services Effective October 1, 2021* [ECF No. 3925] (together, the "**Retention Orders**"), authorizing Cornerstone Research's retention by the Debtors. The Retention Orders attached hereto as **Exhibit B** and incorporated by reference allow the Debtors to compensate and reimburse Cornerstone Research in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Guidelines, and the Interim Compensation Order.

7. The Retention Orders also authorizes the Debtors to compensate Cornerstone Research at its hourly rates charged for services of this type and for the firm's actual, necessary expenses incurred in connection such services rendered during the Fee Period. Among other things, it permits Cornerstone Research to render consulting services (collectively, the "**Cornerstone Services**") to the Debtors, including: quantitative and qualitative analysis related to the relevant market in which the Matter should be analyzed and whether Purdue has market power in that relevant market, and quantitative and qualitative analysis of the competitive effects, if any, from the conduct at issue in the Matter.

Compensation Paid and Its Sources

8. All services during the Fee Period for which compensation is requested by Cornerstone Research were performed for or on behalf of the Debtors. Additionally, Cornerstone Research has not received any payment or promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with matters covered by this Fee Application. A certification confirming Cornerstone Research's compliance with the Fee Guidelines is annexed hereto as **Exhibit A**.

9. To the extent that billable time or disbursement charges for services rendered or expenses incurred relate to the Fee Period, but were not processed prior to the preparation of this Fee Application, Cornerstone Research reserves the right to request compensation for such services and reimbursement of such expenses in a future fee application.

10. These professional services were rendered by Cornerstone Research staff.

Summary of Professional Compensation and Reimbursement of Expenses Requested

11. During the Fee Period, Cornerstone Research's professionals and paraprofessionals expended a total 412.10 hours in connection with providing necessary services. Cornerstone Research has been able to efficiently provide services by utilizing the expertise of professionals to effectively advise the Debtors regarding discrete issues and ensuring that the level of seniority is commensurate with the assignment. Cornerstone Research, in connection with services rendered on behalf of the Debtors, respectfully requests allowance of reasonable compensation of such services rendered in the total amount of \$183,866.00 and reimbursement of actual and necessary expenses incurred in the amount of \$0.00, for an aggregate total of \$183,866.00 for the Fee Period. Annexed hereto as **Exhibit C** is a list of Cornerstone Research professionals and paraprofessionals, their position with the firm, the hourly rate charged for their services, the number of hours worked on this matter, and other pertinent information. **Exhibit D** annexed hereto is a list of the various categories and the total fees and total hours expended by subject matter category. Cornerstone Research maintains computerized, detailed time records of services rendered by its consultants.

The detailed records for this Fee Period were appended to Cornerstone Research's Monthly Fee Statements. Cornerstone Research is engaged in ongoing discussions with the Debtors regarding budgeting and staffing issues. Annexed hereto as **Exhibit E** is Cornerstone Research's staffing plan in connection with services rendered to the Debtors.

Summary of Services Rendered

12. During the Fee Period, Cornerstone Research provided critical professional advice involving complex analyses related to the relevant market and competitive effects in the Matter. Summaries of significant services described above are detailed below:

Consulting Services

Fees: \$183,866.00 Total Hours: 412.10

- Under this project category, Cornerstone Research assisted the Debtors with analysis of the relevant market and market competition. Specifically, Cornerstone Research:
 - Assisted counsel with analyses related to the relevant market in which the Matter should be analyzed and whether Purdue has market power in that relevant market, and quantitative and qualitative analysis of the competitive effects, if any, from the conduct at issue in the Matter.
 - Consulted with and responded to inquiries and production requests from counsel regarding the foregoing.

Preparation of Fee Statements/Interim Application

Fees: \$0.00 Total Hours: 0.00

Actual and Necessary Expenses

13. As set forth in **Exhibit F** hereto, Cornerstone Research has incurred or disbursed \$0.00 in expenses in providing professional services to the Debtors during the Compensation Period. These expenses amounts are intended to cover Cornerstone Research's direct expenses which are not incorporated into the hourly billing rates. Only clients for whom the services are

actually used are separately charged for such services.

14. Cornerstone Research has made every effort to minimize its expenses in this case.

The actual expenses incurred in providing professional services to the Debtors were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors.

Cornerstone Research's Requested Compensation Should Be Allowed

15. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered ... and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a) (1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including –

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (e) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

16. The foregoing professional services were performed by Cornerstone Research in an efficient manner, were necessary and appropriate to the administration of the case, and were in the best interests of the Debtors, their estates, and other parties in interest. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and nature of

the problems, issues, and tasks involved. As required by the U.S. Trustee guidelines, annexed hereto as Exhibit G is a chart setting forth the comparative blended rates of the professionals who rendered services with a corresponding comparison of rates for Cornerstone Research professionals not involved this case.

Notice

17. The Debtors will provide notice of this Application in accordance with the Interim Compensation Order. The Debtors submit that no other or further notice be given.

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WHEREFORE, Cornerstone Research, in connection with services rendered on behalf of the Debtors, respectfully requests allowance of reasonable compensation of such services rendered and reimbursement of expenses incurred in the total amount of \$183,866.00 for the Fee Period.

Dated: February 15, 2023
Boston, Massachusetts

CORNERSTONE RESEARCH

By: /s/ Zoya Marriott

699 Boylston Street
Boston, Massachusetts 02116
Telephone: (617) 927-3000
Facsimile: (617) 927-3100

Exhibit A

Certification of Compliance with Fee Guidelines

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.¹

Chapter 11

Case No. 19-23649 (SHL)

(Jointly Administered)

CERTIFICATION OF ZOYA MARRIOTT IN SUPPORT OF SEVENTH INTERIM
APPLICATION OF CORNERSTONE RESEARCH FOR COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS
CONSULTANT TO THE DEBTORS FOR THE PERIOD FROM
MARCH 1, 2022 THROUGH JUNE 30, 2022

I, Zoya Marriott, hereby certify that:

1. I am a vice president at Cornerstone Research, located at 699 Boylston Street, Boston, Massachusetts. I am familiar with the work performed on behalf of the above-captioned debtors and debtors in possession (“**Debtors**”) by Cornerstone Research.
2. I have reviewed the *SEVENTH Interim Application of Cornerstone Research for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Consultant to the Debtors for the Period from March 1, 2022 Through June 30, 2022* (the “**Application**”) to certify to certain matters addressed in the (i) *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* entered on November 21, 2019

¹ The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

[ECF No. 529] (the “**Interim Compensation Order**”), (ii) Rule 2016-1 of the Local Rules of Bankruptcy Procedure, incorporating the *Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases* [General Order M-447], among other guidelines (the “**Local Guidelines**”), and (iii) The United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases effective as of November 1, 2013 (the “**U.S. Trustee Guidelines**,” and together with Local Guidelines, the “**Fee Guidelines**”).² The Application covers the period from March 1, 2022 through June 30, 2022 (the “**Fee Period**”).

3. To the best of my knowledge, information and belief, the statements contained in the foregoing Application are true and accurate in all material respects and comply with the Fee Guidelines in material part. Cornerstone Research responds to the questions identified in the U.S. Trustee Guidelines as follows:

²Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Interim Compensation Order.

Question 1: Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees, or terms for services pertaining to this engagement that were provided during the application period? If so, please explain.

Answer: Cornerstone Research has agreed to a variation from its standard 2022 billing rates for services provided during 2022.

Question 2: If the fees sought in the Application as compared to the fees budgeted for the time period covered by the Application are higher by 10% or more, did you discuss the reasons for the variation with the client?

Answer: Cornerstone Research has provided the client with the actual amount of fees incurred on a monthly basis and engages in ongoing discussions with the client regarding fees and expenses generally, but did not prepare an itemized budget for the Fee Period.

Question 3: Have any of the professionals included in the Application varied their hourly rate based on geographic location of the bankruptcy case?

Answer: As disclosed in the Retention Application, no.

Question 4: Does the Application include time or fees related to reviewing or revising time records or preparing, reviewing, or revising invoices?

Answer: No, the Application does not include time and fees related to reviewing or revising time records or preparing, reviewing, or revising invoices in connection with the preparation of monthly fee statement or interim application relating to the period. Cornerstone Research is seeking compensation for 0.00 hours and \$0.00 in fees related to reviewing and revising time records with respect to the preparation of such fee applications.

Question 5: Does the Application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify hours and fees.

Answer: No, the Application does not include time and fees related to reviewing time records to redact any privileged or other confidential information.

Question 6: Did the Application include any rate increases since retention in these cases:

Answer: The Application does not include any rate increases during the Fee Period.

Question 7: Did the client agree when retaining Cornerstone Research to accept all future rate increases? If not, did Cornerstone Research inform the client that they need not agree to modified rates or terms in order to have you continue the representation, consistent with ABA Formal Ethics Opinion 11-458?

Answer: The client was informed regarding Cornerstone Research's rates and future rate increases as part of its approval of Cornerstone Research's retention application.

Dated: February 15, 2023
Boston, Massachusetts

By: /s/ Zoya Marriott
Zoya Marriott
Vice President
CORNERSTONE RESEARCH

Exhibit B

Retention Order

Exhibit C

Professional and Paraprofessional Fees for Fee Period

Individual	Title	Hourly Rate	Total Hours Billed	Total Compensation
Professional Fees				
Saravia, Celeste	Vice President	\$ 925.00	2.20	\$ 2,035.00
Marriott, Zoya	Vice President	\$ 895.00	13.20	\$ 11,814.00
Guo, Fang	Associate	\$ 685.00	57.00	\$ 39,045.00
Sastri, Sachin	Senior Analyst	\$ 415.00	103.90	\$ 43,118.50
Novick, Rachel Z.	Senior Analyst	\$ 415.00	81.90	\$ 33,988.50
Clark, Lindsey	Analyst	\$ 350.00	1539	\$ 53,865.00

Total **412.10** **\$183,866.00**

Exhibit D

Fees by Project Category for Fee Period

Project Category	Total Hours	Total Fees
Preparation of Fee Statements	0.0	\$ 0.00
Consulting Services	412.1	\$ 183,866.00
Total	412.10	\$ 183,866.00

Exhibit E

Staffing Plan for Fee Period

Cornerstone Research discussed consultant staffing with the Debtors throughout the cases and has supplemented and adjusted its team as necessary to meet the needs of the Debtors under the changing circumstances of these cases.

Exhibit F

Expense Summary

Expense Category	Service Provider (if applicable)	Total Expenses
N/A		\$ 0.00
Total		\$ 0.00

Exhibit G

Customary and Comparable Compensation Disclosures for the Fee Period

CATEGORY OF TIMEKEEPER		
	Standard Rates for Professionals and Paraprofessionals at Cornerstone Research for the Fee Period¹	Purdue Application Blended Hourly Rate
Officer	\$870-\$1365	\$910.00
Associate	\$540-\$620	\$685.00
Senior Analyst	\$415	\$415.00
Analyst	\$350-\$375	\$350.00

¹ Rates differ within a level due to the relative experience of the staff.